

## CHAPTER 9

ACCOUNTING AND REPORTING FOR OPERATION AND MAINTENANCE  
OF THE FAMILY HOUSING PROGRAM0901 GENERAL

090101 Purpose. The Congress established the family housing operation and maintenance (O&M) appropriation to separate the funding of family housing O&M from other O&M programs. All obligations incurred for O&M to support the military family housing program shall be charged to the family housing O&M appropriation. This chapter provides accounting support for O&M requirements set forth in Volume 2B, Chapter 6, of this Regulation. This chapter prescribes an accounting structure that accumulates O&M costs consistent with guidance in Volume 2B, Chapter 6, Section 060106, of this Regulation. The purpose of the account structure is to provide DoD Components with uniform procedures for consistently identifying, accumulating, and reporting family housing program costs. Costs for operating and maintaining family housing facilities shall be identified as prescribed in this chapter and shall be the basis for reports referenced herein.

090102 Overview

A. This chapter strengthens compliance with related DoD policy requirements involving program administration, reporting, internal management and fund control, management analysis and decision-making by directly linking the financial accounting to budget accounts and reporting requirements.

B. It is important that methods for computing costs for the family housing program are as uniform as practicable among the DoD Components. Such uniformity is essential to permit intra-DoD and inter-DoD Component program, budget, and cost comparison, irrespective of the management service, the agency, or the accounting system used at the installation. Also, cost identification and computation methods specified herein should minimize the accounting effort and detail

required to compute costs. Section 0903 provides the account structure and content for identifying costs for work and services performed for the family housing program. Guidelines are also provided for computing labor, materials and supplies, equipment usage, and support service charges.

C. Compliance with the requirements in this chapter will provide management reasonable assurance that program cost information is developed and maintained on a consistent basis throughout the Department.

0902 ACCOUNTING REQUIREMENTS. A series of accounts shall be established and maintained for accumulating family housing O&M costs and reimbursements. Costs and reimbursements shall be computed and identified to the accounts in accordance with the guidance herein. The accumulated costs and reimbursements in the accounts shall be used to support budget exhibits and budget execution reports.

0903 ACCOUNT STRUCTURE AND  
CONTENT

090301 DoD Components receiving obligation authority for family housing O&M shall establish and maintain the uniform accounts specified in this chapter. The accounts shall be used to accumulate the obligations incurred for the family housing O&M program.

090302 The following summary and subordinate accounts are required:

Operations  
    Management  
    Services  
    Furnishings  
    Miscellaneous

Utility Operations

## Maintenance of Real Property Facilities

- Dwellings
- Exterior Utilities
- Other Real Property
- Alteration and Additions
- Leased Housing
- Lease Cost - Foreign
- Lease Cost - Foreign - Government Rental Guarantee Program
- Lease Cost - Domestic
- Lease Cost - Section 801
- Other O&M Cost - Foreign
- Other O&M Cost - Foreign - Government Rental Guarantee Program
- Other O&M Cost - Domestic
- Other O&M Cost - Section 801

## Interest Payments On Debt

## Servicemen's Mortgage Insurance Program

## Foreign Currency Fluctuations

- Gains
- Losses

## Reimbursements

- Foreign Military Sales (FMS)
- Other

090303 The following guidance defines the basic scope and content of the accounts:

A. Operations Account. This is a summary account for consolidating costs accumulated in the following subordinate accounts:

1. Management Account. Accumulates costs of management, administrative, and support type services at installation level involving:

a. Administration costs for installation housing offices including management office personnel, supplies, equipment, and utilities pertaining to the functions of a family housing office. Costs for administrative support services provided in supply, comptroller, maintenance, and other installation offices when the costs for such services are attributable to family housing.

b. Costs for housing referral administration costs pertaining to private housing, including rental guarantee projects and the provision of referral services. Assistance in locating and inspecting privately owned family housing for DoD personnel.

c. Requirements surveys and preliminary family housing studies or engineering construction plans made before Secretary of Defense project approval. Also includes planning for improvement and rental guarantee projects and inspection of construction of rental guarantee housing.

d. Other identifiable management costs that directly support the family housing program.

2. Services Account. Accumulates costs for the following types of authorized services:

a. Refuse collection and disposal - Include costs of family housing for collecting garbage, trash, ashes and debris, and for refuse disposal, such as the operation and maintenance of incinerators, sanitary fill, and regulated dumps. Also included are costs for acquisition, maintenance and repair of garbage and trash containers, and operation of can washing facilities.

b. Fire protection - Include costs for protection and prevention of family housing facilities.

c. Police protection - Include costs for law enforcement, traffic control, and protection of family housing facilities.

d. Entomological services - Include costs of all control measures against fungi, insects, and rodents within family housing dwellings, facilities, and areas.

e. Custodial services - Include costs of janitorial and custodial services performed in common service areas and the cost of elevator operation in family housing facilities.

f. Snow removal - Include costs of removing, hauling, and disposal of snow, the cost of ice alleviation, and erection, maintenance, repairs and removal of snow fences for family housing areas.

g. Street cleaning - Include costs of cleaning streets comprised of sweeping, flushing, and picking up litter.

h. Municipal type services - Include costs of miscellaneous municipal type services not identifiable to other listed accounts.

i. Other services - Include costs of all other authorized services for family housing.

3. Furnishings Account. Accumulates costs for initial acquisition, maintenance, repair, and replacement of furnishings, furniture, movable household equipment, and authorized miscellaneous items. Also includes control, handling, record keeping, moving of Government-owned furnishings into and out of dwelling units and charges for connecting and disconnecting equipment, as well as handling costs incident to storage.

4. Miscellaneous Account. Accumulates costs for:

a. Lease rents and permit payments for housing and trailer spaces leased by the Government from private sources or provided by the Federal Housing Administration (FHA) or the Department of Veterans Affairs (VA). Also included are the reimbursement costs for dwellings provided by State, municipal, or foreign governments or by Federal Agencies other than the FHA or VA.

b. German land taxes paid to the Federal Republic of Germany under the North Atlantic Treaty Organization Status of Forces Agreement for local taxes on land and improvements of family housing property.

c. Fire insurance charges paid to the Federal Republic of Germany to cover fire damage to family housing dwelling units.

d. United Kingdom accommodation charges paid in accordance with the country-to-country agreement for housing provided to U.S. Forces.

e. Other miscellaneous operations costs not covered elsewhere.

B. Utility Operations Account. This is a summary account for accumulating costs for utilities consumed in family housing. This account excludes the costs of maintenance and repair of utility systems identified to the family housing property covered under the Maintenance of Real Property Facilities Account. Electricity, water, sewage, gas fuel oil or other heating fuels are the types of utilities reported in this account. Other services reported under paragraph 090303.A.2 above are excluded from the utility operations account.

C. Maintenance of Real Property Facilities Account. This is a summary account for consolidating costs accumulated in the following subordinate accounts:

1. Dwellings Account. Accumulates costs of maintenance and repair of all family housing buildings in real property category codes 711, 712, and 714 as defined in DoD Instruction 4165.3 including all interior utilities and installed equipment. Typically this involves:

a. Service calls for minor work including emergency and temporary repairs normally not in excess of 16 workhours.

b. Routine maintenance for occupancy work and other maintenance usually scheduled annually or more frequently.

c. Repairs and replacements for rehabilitations and replacement of major components and installed equipment.

d. Interior and exterior painting and the necessary preparation.

e. Contract cleaning between occupancy, where authorized.

2. Exterior Utilities Account.

Accumulates costs of maintenance and repair of electric, gas, water, sewage and other utility distribution, collection, or service systems assigned to family housing. Street and area lighting systems are included in exterior utilities beginning at a point 5 feet from the house line and ending at a point where the utility system joins a common use main or terminates.

3. Other Real Property Account.

Accumulates costs for the following:

a. Maintenance, care, and repair of improved and unimproved grounds, storm sewerage, and drainage structures and costs of acquisition, maintenance, and repair of Government-owned minor equipment, such as hand-operated lawn mowers used for grounds maintenance by occupants.

b. Maintenance and repair of paved or stabilized streets, roads, walks, driveways, utility, service, and parking areas, as well as curbs, gutters, signs, and other road appurtenances.

c. Maintenance and repair of facilities other than dwellings, such as fences when the facility is dedicated to housing, athletic and recreation facilities, community buildings, and service facilities. Also included are the costs of maintenance of trailer sites including outlets.

4. Alterations and Additions Account. Accumulates costs for incidental additions, expansions, extensions, and alterations to the existing real property. Also includes the payments made to military personnel for telephone reconnection charges when maintenance or repair work necessitates Government-directed nonpermanent change of station moves and charges resulting from improvement or repair projects funded in part from the family housing construction account.

D. Leased Housing Account. This is a summary account for consolidating costs accumulated in the following subordinate accounts:

1. Lease Cost - Foreign Account.

Accumulates costs for charges and other payments specified in the lease agreement for housing in foreign countries.

2. Lease Cost - Foreign Account Government Rental Guarantee Program (GRGP). Accumulates costs for charges and other payments specified in the lease agreement for housing in Europe under the Army GRGP program.

3. Lease Cost - Domestic Account. Accumulates costs for charges and other payments specified in the lease agreement for housing in the United States including U.S. possessions and territories.

4. Lease Cost - Section 801 Account. Accumulates costs for charges and other payments specified in the lease agreement for Section 801-type housing.

5. Other Operation and Maintenance Cost - Foreign Account. Accumulates costs for maintenance, utilities, and contracted services not provided by the lessor for housing in foreign countries. Also includes initial make-ready costs, costs of Government-owned furnishings, any pro rata share of the costs of installation services, and administrative costs such as assignment, travel, and inspection by installation personnel, and reimbursements to the Department of State for foreign affairs administrative support costs.

6. Other Operation and Maintenance Cost - Foreign Account Government Rental Guarantee Program (GRGP). Accumulates costs for maintenance, utilities, and contracted services not provided by the lessor for housing in foreign countries. Also includes initial make-ready costs, costs of Government-owned furnishings, any pro rata share of the costs of installation services, and administrative costs such as assignment, travel, and inspection by installation personnel, and reimbursements to the Department of State for foreign affairs administrative support costs.

7. Other Operation and Maintenance Cost - Domestic Account. Accumulates costs for maintenance, utilities, and contracted services not provided by the lessor for housing in the United States. Also includes initial makeready costs, costs of Government-owned furnishings, any pro rata share of the costs of installation services, and administrative costs such as assignment, travel, and inspection by installation personnel.

8. Other Operation and Maintenance Cost - Section 801 Account. Accumulates the costs for maintenance, utilities, and contracted services not provided by the lessor for Section 801-type housing. Also includes initial makeready costs, costs of Government-owned furnishings, any pro rata share of the costs of installation services, and administrative costs such as assignment, travel, and inspection by installation personnel.

E. Interest Payment On Debt Account. This is a summary account for accumulating the costs for interest payments on Capehart and Wherry mortgages or related notes.

F. Servicemen's Mortgage Insurance Premiums Account. This is a summary account for accumulating the costs for servicemen's mortgage insurance premium payments pursuant to Section 222 of the National Housing Act.

G. Foreign Currency Fluctuations Account. This is a summary account for accumulating the gains or losses arising from foreign currency exchange rate fluctuations in accordance with Volume 6, Chapter 7 requirements. The OUSD(C) manages the appropriation and transfers amounts to the operating appropriations. The transferred funds are only available for funding a Component's centrally managed allotment that is used to cover foreign currency fluctuations. Gains and losses shall be separately identified within the account.

H. Reimbursements Account. This is a summary account for accumulating reimbursements collected during the current fiscal year for O&M rental and service charges billed to occupants and for proceeds from

handling or disposing of excess housing property. Foreign Military Sales (FMS) funded and non-FMS funded reimbursements shall be separately identified as follows:

1. Foreign Military Sales-Funded Account. Accumulates all reimbursements from FMS-funded activities or sources. The amounts shall be identified within the account as to the nature of the reimbursements; for example, recovery of the costs of operations, utility operation, maintenance of real property facilities, or proceeds from property handling or disposal.

2. Non-Foreign Military Sales Funded Account. Accumulates reimbursements from other than FMS-funded activities or sources. The amounts shall be identified within the account as to the nature of the reimbursements; for example, recovery of the costs of operations, utility operation, maintenance of real property facilities, or proceeds from property handling or disposal.

#### 0904 COST IDENTIFICATION PROCEDURES

090401 DoD Components shall identify the obligations incurred both in-house and by contract to operate and maintain the family housing program. All costs of providing program support will be computed and costed to the program on a full absorption basis; that is, full cost for dedicated support and pro rata cost for other support.

A. Defense Business Operations Fund real property maintenance activities such as Navy Public Works Centers, which have a primary mission of facility maintenance, shall apply the normal business fund overhead rates to family housing support.

B. Other-funded real property maintenance activities having established shop or productive expense rates shall apply the applicable rate to direct work or service in support of family housing.

090402 Costs shall be charged to the applicable family housing account to the extent that they are practically identifiable and measurable to the

housing program. This does not prevent the use of engineered standards or estimates in charging utilities when metering devices are not used.

090403 To the extent that obligations are incurred for administrative support and supervision efforts, they shall be limited to those incurred at installation level and will not include those which may be incurred at echelons of command above the installation. An exception is made, however, when amounts for administrative support and supervision are included in charges assessed by a field office of a construction agent.

090404 The costs charged to the program shall be in proportion to the efforts, the use or consumption of goods, or the services received by the family housing program. Dedicated efforts or responsibilities for the program shall be fully charged. For example, total costs for full-time management and staff shall be charged to the family housing program.

090405 Other efforts, goods or services that are provided to the family housing and to other programs shall be assigned to appropriate family housing accounts based on the relative workload, benefit, or other measurement. The following general criteria shall be used in assigning support costs to the family housing program:

A. When the support being provided is predominantly personnel intensive, costs should be allocated based on a pro rata basis of workload. This would include collateral duty management assignments involving command or policy determinations related to personnel, financial management, legal, procurement, or similar areas.

B. When the support being provided has a mix of personnel, equipment, materials or supplies, costs should be allocated based on workload. For example, printing or reproduction services or computer support involve a mix of resources. When such support services are provided, the proportion of workload for the family housing program to the total workload would be used to compute the

portion of the total costs identified to the family housing program.

C. When the support being provided predominantly involves specific goods or services (for example, electricity, gas, water, sewer, etc.), costs should be allocated based on the relative amount consumed or quantity used. For example, the costs of heat or air-conditioning for an occupied area can be allocated based on the assigned space.

090406 When a set of quarters is intended for, or occupied by, officers of General or Flag rank, the costs accumulated for the operation and maintenance of each set of quarters shall be identified within the accounts specified in Section 0903 above, and reported in accordance with the requirements prescribed by the Deputy Under Secretary of Defense (Logistics).

090407 When identifying O&M costs to the program, the general premise is that all applicable costs shall be assigned. When an incidental level of effort, supplies, or services are provided on a nonrecurring basis, costs need not be identified to the program if they are insignificant and it is not cost-effective to measure and assign the costs. As a general rule, cost identification is necessary when the support is more than incidental.

090408 Installation management officials such as the installation commander, public works officer, housing director, or comptroller are responsible for identifying the O&M costs for the family housing program whether funded by the family housing O&M or some other appropriation. Installation managers shall periodically review manning standards, workload and consumption methods, and other factors used to identify efforts in support of the program. The basis of allocating such costs to the program shall be reset when variances occur in efforts, workload, or other resources consumed. Management shall also review charges to the accounts specified herein to ensure that none have been inadvertently omitted or erroneously included.

0905 C O S T E L E M E N T S A N D  
COMPUTATION OF CHARGES

090501 The program cost elements and the basis for charging the accounts of the family housing program for O&M costs are provided in this section.

090502 The labor effort of military or civilian personnel assigned and identified to family housing shall be computed for pay and benefits using a labor distribution system, if available, or the guidance in Volume 11A of this regulation. Personnel efforts shall be reviewed and validated annually to support a charge to family housing. Military labor shall be accumulated and classified as an unfunded cost within the account structure since the cost is not a reimbursable charge to the program.

090503 The costs for material and supplies shall be computed based upon consumption; that is, the relative amount consumed or the quantity used. Material and supplies shall be computed at acquisition price if directly (locally) purchased or at standard inventory price if issued through the supply system.

090504 Services such as refuse collection and disposal, entomological, custodial, etc., may be provided by government forces or by a contractor and shall be computed and charged when received. When family housing is the sole customer, the full cost shall be borne by family housing. When the family housing portion of such services is readily separable and distinct, that portion will be charged to family housing. When the service operation is too intertwined or complex to enable ready identification of proper family housing costs, the costs charged to family housing funds shall be based on the proportionate amount of service received on a unit of service basis; for example, number of refuse pick-ups and locations, and square feet of floor area receiving custodial service.

090505 Utility costs shall be computed based upon the quantity used or consumption. DoD business operations fund activities providing utilities shall compute the charges consistent with their normal procedures. All other activities shall compute the charge to family

housing at the rate the utility is purchased from the supplier. If not metered, consumption should be based on documented engineering estimates.

090506 Equipment usage costs for rented property shall be computed at the lease or rental rate. In the case of Government-owned equipment, the cost computation is limited to the expenses of operating and maintaining the equipment and a charge for the operator's time when provided by other than family housing. Neither acquisition costs nor periodic depreciation charges shall be computed.

090507 Two cost items shall be treated as unfunded costs in computing the family housing O&M costs. Military labor is one and the headquarters costs, included in construction agent administrative support and supervision effort above the installation level, is the other.

0906 REIMBURSEMENTS

090601 The reimbursement accounts specified in section 0903 above, shall be used to accumulate reimbursements for charges initially financed by the O&M appropriation for the family housing program or proceeds from handling or disposing of family housing property. All reimbursements shall be recorded in the family housing reimbursement accounts.

090602 Ordinarily, these reimbursements are for rental and service charges paid by occupants or users of family housing facilities. Some collections may be refunds that include the costs of repairing damages to family housing facilities, caused by occupants, including the replacement of items.

090603 Other reimbursements involve the recovery of expenses for handling and disposing of excess family housing property as well as the proceeds from sales of such property. Collections may be used for various purposes such as defraying O&M expenses or the payment of debt. Policy guidance governing such collections, use and reporting is provided in Volume 2B, Chapter 6, Section 060106, of this Regulation.

0907 REPORTING. Data derived from the uniform account structure, to be established and maintained consistent with this chapter, shall be used by DoD Components required to prepare and submit the following reports:

090701 Appropriation Status By Fiscal Year Program and Subaccounts Report - Acct Rpt(M)1002. DoD Components shall prepare and distribute the report in accordance with the guidance contained in chapter 4 of this Volume.

090702 Family Housing - Operation and Maintenance Summary, DD Form 2456. In accordance with guidance in Volume 2B, Chapter 6, of this Regulation, DoD Components shall prepare separate reports for the total program as well as for each of the following groupings:

- Conterminous U.S. areas
- U.S. Overseas and Possessions
- Foreign areas

090703 Report on Budget Execution, DD Form 1176 - RCS: Acct Rpt(M)1176. DoD Components shall prepare and distribute the monthly report for the annual portion of the O&M category of the family housing appropriation in accordance with the guidance prescribed in chapter 4 of this Volume.

0908 INTERNAL CONTROL. Management shall develop and implement internal control techniques to ensure effective control over and accountability for the resources charged to this program and for the full and prompt receipt of all proceeds from reimbursements for rents, service charges, and disposal or handling of excess family housing property. Volume 4, Chapter 3, of this Regulation provides specific internal control guidance.